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TWO PAPERS SOLD IN PHILADELPHIA

**Knight Obtains The Inquirer
and News for \$55-Million**

By MURRAY SCHUMACH

Knight Newspapers, Inc., has bought The Philadelphia Inquirer and The Philadelphia Daily News from Walter H. Annenberg's Triangle Publications.

The price was approximately \$55-million in cash and notes, according to yesterday's announcement by the two corporations. This is one of the largest prices ever paid in a newspaper transaction.

In March, 1967, Samuel I. Newhouse added The Cleveland Plain Dealer to his chain for \$51-million. Last month, The Times Mirror Company, which publishes The Los Angeles Times, agreed to pay \$91.5-million in stock for The Dallas Times Herald and its broadcasting interest.

Mr. Annenberg, the Ambassador to Great Britain, said in a prepared statement released yesterday that he had sold The Inquirer and News "to accomplish an orderly transfer into the right hands of the newspapers that have long been under my direction."

"With the passing of my only son," he declared, "there is no likely possibility of family transference, and hence my desire to insure a future ownership in which I have confidence."

Mr. Annenberg's son, Roger, died in 1962 at the age of 22. The Ambassador, who is said to be traveling in Europe will be editor and publisher emeritus of the papers. The papers will be operated by Triangle Publications until Dec. 31.

John S. Knight, editorial chairman and senior officer of the Knight newspaper chain, said in the joint statement:

"We approach this task with a real understanding of the grave public trust which it imposes, and with the pledge to ever hold high the torch of vigilant, independent journalism."

Mr. Knight said last night, in response to questions, that both Philadelphia papers were "making money," but declined to say how much. He declared he had no intention of merging them or of dropping either of them.

"I intend very definitely to maintain both papers," he said. Mr. Knight said the negotiations that led to the sale were begun about a month ago.

It was announced that Frederick Chait, general manager of The Inquirer, would be put in charge of a new wholly owned Knight subsidiary that will operate both Philadelphia papers.

Circulation Totals

The Inquirer, a morning paper, had a daily circulation of 483,182 in September, a decline of some 20,000 from the same period last year. Its Sunday circulation of 891,810 last month was about 19,000 less than for the same month in 1968.

The Philadelphia Daily News, an afternoon paper, had a circulation of 251,211 in September, an increase of nearly 19,000 over the same month last year. It is not published on Sundays.

The other major newspaper in Philadelphia, The Bulletin, an afternoon paper, has a weekday circulation of about 650,000; Saturday, more than 560,000; and Sunday, nearly 700,000.



Karsh, Ottawa

Walter H. Annenberg

The transaction will make the Philadelphia operation the largest in the Knight chain. The Detroit Free Press, with a daily circulation of some 600,000 and a Sunday circulation of about 650,000, has been the largest.

Other papers in the Knight chain are The Miami (Fla.) Herald, The Akron (Ohio) Beacon Journal, The Charlotte (N. C.) Observer, The Macon (Ga.) Telegraph, The Macon News and The Tallahassee (Fla.) Democrat.

Boards Approve Move

The corporation also publishes several community papers in Florida and one in Georgia. It owns minority interests in companies that operate Stations WAKR AM-FM and UHF TV in Akron, WBOX AM-FM in Dallas and WONE AM-FM in Dayton, Ohio.

The publications still retained by Triangle include TV Guide, Seventeen magazine, and the horse-racing papers The Morning Telegraph and The Daily Racing Form. Its broadcasting interests are: WFIL, AM-FM-TV, in Philadelphia; WNHC, AM-FM-TV, in New Haven; WNEB, AM-FM-TV, in Binghamton, N. Y.; WFBG, AM-FM-TV, in Altoona-Johnstown, Pa.; LYH-TV, in Lancaster-Lebanon, Pa.; and KFRE, AM-FM-TV, in Fresno, Calif.

The announcement of the sale was made after a meeting between officers of both corporations in Cleveland. The transfer was approved by the boards of both companies.

In making the sale public, Mr. Knight and Lee Hills, president and executive editor of Knight newspapers, said:

"Individual editors are responsible for the news and editorial policies of their newspapers to insure that they serve the best interests of their communities. We do not operate by directives from any headquarters."

Earnings by Knight

Earnings for the third quarter by the Knight corporation were \$2.6-million, or 49 cents a share, compared with \$1.9-million, or 35 cents a share, for the same period last year.

For the first nine months of this year, Knight earnings were \$9-million, or \$1.75 a share, compared with \$4.4-million, or 79 cents a share, for the first nine months of 1968. Nine-month revenue this year was \$119.3-million, compared with \$78.6-million for the first nine months of 1968.

Mr. Hills said that any changes in the staff "will be for the sole purpose of improving the service which the Inquirer and Daily News can render. We never break up a winning team."

There had been rumors in Philadelphia for months that The Inquirer was up for sale. But the announcement yesterday surprised the staff. Top executives of the paper went into conference.

Mr. Annenberg inherited The Inquirer from his father, the late Moses Annenberg, who bought it in the mid-1930's. More than 10 years ago, the present head of Triangle purchased The News, a tabloid,

from Matthew McCloskey, a Philadelphia contractor and an influential Democrat. Mr. Annenberg is a leading Republican and an important contributor to the party.